

**SUBJECT:** Revised regulations governing the Travis County Healthcare District

**COMMITTEE:** County Affairs — committee substitute recommended

**VOTE:** 7 ayes — W. Smith, Naishtat, Bolton, Coleman, Farabee, Heflin, Leibowitz

0 nays

2 absent — Harless, T. Smith

**WITNESSES:** For — Patricia Young Brown, Travis County Healthcare District; *(Registered, but did not testify: Talia Gaster, Travis County Commissioners Court; Clarke Heidrick, Travis County Healthcare District; Carl S. Richie, Jr., City of Austin)*

Against — None

On — Stacy Wilson, Travis County Healthcare District

**BACKGROUND:** The Travis County Healthcare District was created by the 78th Legislature in 2003 and approved by voters on May 15, 2004. The district provides health care services to eligible, uninsured, and underinsured residents of Travis County.

**DIGEST:** CSHB 2378 would amend various statutes affecting the Travis County Healthcare District and its employees.

The bill would add Government Code, sec. 803.204, to allow employees to consolidate service credits for retirement with the municipal retirement system if they had earned these credits working for a hospital district, charitable organization created by the hospital district, or an administrative agency connected with the district. On retirement, these employees would receive retirement benefits from the municipal retirement system unless the hospital district had established or participated in a retirement program.

The bill specifically would authorize the hospital district and its board to:

- issue revenue anticipation notes;
- affiliate or contract with any public or private entity for the provision of services, including community or federally qualified health care centers;
- make a capital or other financial contribution to a charitable organization created by the district to provide health care services; and
- hire physicians, dentists and other health care providers while specifying that the board would not have the authority to supervise or control the practice of medicine.

CSHB 2378 also would authorize the board on its own initiative to hold elections for majority voter approval of tax rate increases that exceed the district's rollback tax rate for the year. Such an election would have to be held at least 180 days before the new tax rate took effect. If voters approved the new tax rate, it would not be subject to a rollback election under Tax Code, sec. 26.07.

The bill would take effect September 1, 2007. Provisions regarding retirement credits would apply to employees who retire on or after that date.

**SUPPORTERS  
SAY:**

CSHB 2378 would update regulations governing the Travis County Healthcare District to help ensure that the district could meet its financial obligations and encourage the efficient delivery of services. The bill also would place the district on an equal footing with other districts in contracting and employee benefits.

CSHB 2378 is carefully bracketed to apply only to the Travis County Healthcare District and would not expand the existing authority of any other district in the state.

**OPPONENTS  
SAY:**

No apparent opposition.

**NOTES:**

The original version of the bill would have allowed the transfer of retirement credits only for city employees who had transferred to work for the hospital district and specified that the bill would have applied to a person retiring on or after the effective date. The committee substitute

removed a provision in the original version of the bill stating that a charitable organization created by the district is not a unit of local government.

The companion bill, SB 1107 by Watson, passed the Senate on the Local and Uncontested Calendar on April 12 and was reported favorably, without amendment, by the House County Affairs Committee on April 27, making it eligible to be considered in lieu of HB 2378.